

**Independent Accountant's Report  
On Internal Controls Over Compliance**

To the Board of Directors of Verizon Communications Inc. and  
Federal Communications Commission:

1. We have examined Verizon Communications Inc.'s (the "Company" or "Verizon") internal controls over compliance with the conditions set forth in Appendix B and paragraphs 26 through 95 (the "Genuity Conditions") of the Federal Communications Commission's (the "FCC") Memorandum Opinion and Order in Common Carrier Docket No. 98-184<sup>1</sup> approving the Bell Atlantic/GTE Merger, for the year ended December 31, 2001, and management's assertion, included in the accompanying Report of Management on the Effectiveness of Controls over Compliance with the Genuity Conditions set forth in FCC Order Approving the Bell Atlantic/GTE Merger (the "Report of Management"), that Verizon, maintained effective internal controls over its compliance with the Genuity Conditions for the year ended December 31, 2001. Verizon's internal control over compliance with the provisioning, and repair and maintenance of special access services, in such a manner, that would not discriminate in favor of Genuity ("Service Quality Condition") is not addressed in the accompanying Report of Management, and is not reported upon herein as a result of a letter from the Deputy Chief, Investigations and Hearings Division, Enforcement Bureau of the FCC staff dated May 29, 2002 to the Senior Vice President, Regulatory Compliance of Verizon which postponed the reporting of the Service Quality Condition to October 1, 2002. Accordingly, our examination of internal controls over compliance with the Service Quality Condition has not been completed. The management of Verizon is responsible for maintaining effective internal controls over compliance with the Genuity Conditions. Our responsibility is to express an opinion based on our examination.
2. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of the internal controls over compliance with the Genuity Conditions, testing and evaluating the design and operating effectiveness of the internal controls, and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.
3. As discussed in paragraph 1, this report does not address the effectiveness of internal controls over compliance with the Service Quality Condition. The effectiveness of Verizon's internal controls over compliance with the Service Quality Condition will be the subject of a separate attestation engagement report to be provided on October 1, 2002 by Mitchell & Titus, LLP.
4. Because of the inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal controls over compliance with the Genuity Conditions to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the internal controls may deteriorate.

---

<sup>1</sup>Application of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License, CC Docket No. 98-184, Memorandum Opinion and Order, 15 FCC Rcd 14032, 14143 (2000).

5. In our opinion, other than the Service Quality Condition as discussed in paragraph 3, Verizon maintained, in all material respects, effective internal controls over compliance with the Genuity Conditions, for the year ended December 31, 2001.
6. This report is intended solely for the information and use of the Board of Directors of Verizon Communications Inc. and Federal Communications Commission and is not intended to be and should not be used by anyone other than these specified parties. Since this report is a matter of public record, its distribution is not limited.

*Mitchell & Titus, LLP*

New York, New York  
May 31, 2002

**Report of Management on the Effectiveness of Controls over Compliance with the  
Genuity Conditions Set Forth in FCC Order Approving the Bell Atlantic/GTE  
Merger**

Management of Verizon is responsible for establishing and maintaining effective internal controls over its compliance with the Federal Communications Commission's ("FCC's") Genuity Conditions set forth in the FCC's order approving the transfer of control of GTE to Bell Atlantic. *In re Application of GTE Corporation and Bell Atlantic Corporation for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of Submarine Cable Landing License*, CC Docket No. 98-184, Memorandum Opinion and Order (rel. June 16, 2000) ("Merger Order").

Verizon's internal controls have been designed to comply with the Genuity Conditions. There are inherent limitations in any control, including the possibility of human error and the circumvention or overriding of the controls. Accordingly, even effective controls can provide only reasonable assurance with respect to the achievement of the objectives of controls. Further, because of changes in conditions, the effectiveness of controls may vary over time.

Verizon has determined that the objectives of the internal controls with respect to compliance with the Genuity Conditions are to provide reasonable, but not absolute, assurance that compliance with the Genuity Conditions has been achieved.

Verizon has assessed its internal controls over compliance with the Genuity Conditions. Based on this assessment, the Company asserts, to the best of its knowledge and belief, that for the period January 1 through December 31, 2001 (the "Evaluation Period"), its internal controls over compliance with the Genuity Conditions were effective in providing reasonable assurance that Verizon has complied with the Genuity Conditions in all material respects. This report does not include assertions on matters made subject to an extension of time by the FCC Enforcement Bureau. *See* Letter from M. Del Duca to J. Ward (May 29, 2002).

  
Steven E. Zipperstein

Dated: May 31, 2002